

# Nashoba Valley Technical School District



**Westford**

**March 8, 2011**

**Stabilization Fund Presentation**

*Dr. Judith L. Klimkiewicz  
Superintendent of Schools*

## Warrant Article:

To determine whether the Town of Westford will vote to approve the Nashoba Valley Technical School District Committee's vote on December 14, 2010 to establish a Stabilization Fund, pursuant to Section 16G½ of Chapter 71 of the Massachusetts General Laws, said Stabilization Fund to be invested and to retain its own interest earnings as provided by law and further set up an operational line item to be created to transfer available monies into said Stabilization Fund or take any other action relative thereto.

# Summary:

The Nashoba Valley Technical School District Committee at its December 14, 2010 meeting, in accordance to Massachusetts General Law Chapter 71 Section 16G 1/2, by a majority of all the members of the regional district school committee, voted to establish a Stabilization Fund . Chapter 71 Section 16G 1/2 also requires the approval of a majority of the local appropriating authorities (Town Meetings) of the member municipalities. As a fiscally responsible regional school district, the primary purpose of a stabilization fund is to give the Nashoba Valley Technical School District a method to have money available for unexpected capital expenses (such as building repairs) and to avoid the need for further borrowing by member municipalities. Currently, excess and deficiency (E&D) funds are used to lower assessments to towns.

# Stabilization Funds

- Authorized by G.L. Chapter 71, Section 16 G  $\frac{1}{2}$  as amended by Chapter 188 of Acts of 2010
- School committee may establish a stabilization fund through a majority vote and with the majority vote of the member municipalities

# STABILIZATION FUND:

## Transfers and Limitations

- School committee **may** include a line item in the annual budget for transfers into a stabilization account.
- Annual amount not to exceed 5% of the aggregate amount apportioned to the member municipalities for the preceding FY
- Larger amount as may be approved by the Director of Accounts.

# Custodian of Stabilization Fund

- The treasurer of the regional district is the custodian of the fund and may deposit or invest the fund.
- Interest accrues to this fund.
- Report sent to member municipalities annually.
- To include fund balance, withdrawals, and additions for the year.

# Use and Purpose of Stabilization Fund

- May be appropriated by vote of **two-thirds of all the members of the regional district school committee** for any purpose for which regional school districts may borrow money or
- Other district purpose as the **director of accounts may approve**

# Purpose for borrowing funds – Section 16(d)

- Acquiring land and constructing, reconstructing, adding to, and equipping a school building
- Remodeling and making extraordinary repairs to a school building
- Constructing sewerage systems and sewerage treatment and disposal facilities, or for the purchase of use of such systems with municipalities
- Purchasing departmental equipment
- Constructing, reconstructing or making improvements to outdoor playground, athletic or recreational facilities or roadways and parking lots
- Any other public work or improvement of a permanent nature
- For planning, architectural or engineering costs relating to any of above purposes



# **Chapter 71, Section 16 (d) as amended by Chapter 188 of the Acts of 2010**

Debt incurred under this section shall be payable within 30 years, but no such debt shall be issued for a period longer than the maximum useful life of the project being financed as determined in accordance with guidelines established by the division of local services of the department of revenue.

Christine Lynch  
Massachusetts Department of  
Elementary & Secondary Education

Presentation to  
MA Association of School  
Business Officials  
September 15, 2010  
Slide 21

# Nashoba Valley Technical High School

## Facilities - Major Building and Grounds Projections

1	Roof Replacements	2012 - 2018	East side - Mach to Auto	200' x 80'	\$160,000
			West side - Plumbing to Graphics	280' x 80'	\$224,000
			Over Gym	100' x 90'	\$120,000
			North side - over 2nd for Academics	350' x 70'	\$245,000
2	Spray Booth	2014 - 2015	Supply & Install Ultra Global Spray Booth		\$185,000
			Turnkey w/all hookups to bring up to code		
3	Bleacher Systems	2013 - 2014	A. Exterior 1,000 seat w/handicap access ramp & press Box		\$350,000
			B. Interior wall attached integral power plastic seat		\$65,000
4	400 Meter Track	2013 - 2015	Track; 6 lane Polyurethane surface track material		\$750,000
			Including major site work		
5	Parking Lot	2019 - 2020	North front – grind, w/3” asphalt N,E,W,S & Daycare		\$325,000
6	Fields	2021 - 2023	Renovate all athletic fields, re-do all infield clay areas		\$140,000
			(beach clay) Football, Girls SB, Boys baseball, practice field		
			Provide irrigation to practice field		
Total Facilities and Grounds					<u>\$2,564,000</u>

# Nashoba Valley Technical High School Proposed 400m Track



Chapter 1 - General Aspects of Planning

IAAF TRACK AND FIELD FACILITIES MANUAL 2006

Sport	Pitch Size				Safety Zone		Total Standard Size	
	Under Competition Rules		Standard Size		Long Sides	Short Sides	Total Standard Size	
	Width	Length	Width	Length			Width	Length
Football (Soccer)	45 (90)	90 (180)	68	105	1	2	70	107
FIFA Matches	64-75	104-110	68	105	5	6	78	117
American Football <sup>1</sup>	45.00	120.75	60.50	102.75	2	1	64.50	113.75
Rugby <sup>2</sup>	68-70	97-100	70	100	3 (4) 5	10-22	77-90	122-134

Table 1.2.3b - Field dimension of interior of 400m Oval Track when used for other sports in m

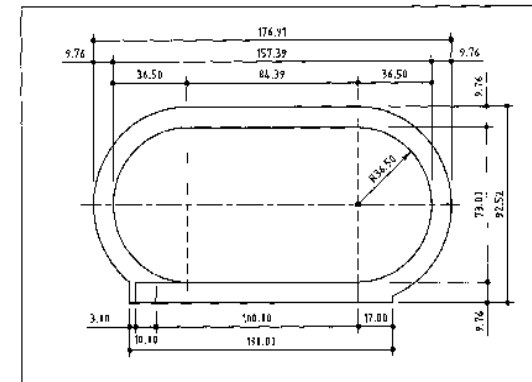


Figure 1.2.2a - Shape and dimensions of the 400m Standard Track (Radius 36.50m) (Dimensions in m)

## 1.2.4 ADDITIONAL USE FOR NON-SPORTING ACTIVITIES

Since Track and Field facilities for top class competitions are furnished with spectator stands, non-sporting events, such as open-air concerts and public assemblies can also be held in them. In certain circumstances, these may require measures of protection for the track and for the infield (See Chapter 7).

# Nashoba Valley Technical High School

## Major Technology Projections

1	Avid Lab	2012	Software	\$25,000
2	Avid Unity Server	2013	Replacement from Windows Server 2000 (End of Life	\$60,000
3	Security	2013	A. Gates/Doors/Windows/Server 2000	\$7,350
			B. Cameras and Camera System Backup – 6 months	\$65,000
			C. Emergency Door Alarms (60 @ \$500)	\$30,000
				<b>\$102,350</b>
4	Unifund Conversion	2012	Conversion to Electronic Input – Replace SQL Server	\$25,000
5	Telephone System	2012	Update All Systems, Including Voice and Reverse 911	\$40,000
Total Technology				<b>\$252,350</b>

# Nashoba Valley Technical High School

## Seven Year Savings Plan

Assuming 3.5% interest, compounded daily

Fiscal Year		Initial Deposit Year One		Monthly Deposit		Yearly Deposit		Savings Amount
2019		50,000		4,588		55,061		500,000
2019		50,000		6,765		81,186		750,000
2019		50,000		9,849		118,188		1,000,000

# Nashoba Valley Technical High School

## Seven Year Savings Plan

Assuming 3.5% interest, compounded daily

Fiscal Year		Initial Deposit Year One		Monthly Deposit		Yearly Deposit		Yearly Deposit 70 % Towns		Yearly Deposit 30% District		Savings Amount
2019		50,000		4,588		55,061		38,543		16,518		500,000
2019		50,000		6,765		81,186		56,830		24,356		750,000
2019		50,000		9,849		118,188		82,732		35,456		1,000,000

Assuming 3.5% interest, compounded daily

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## **1. Why does the school need a stabilization fund?**

We are several years out from our building project (nearing 10) and need to begin planning for potential large capital expenditures that will need to be addressed in the future (i.e. roofs, mechanical systems, major facilities repairs) that are normal for large heavily used buildings. Although anyone visiting our site and buildings will be impressed with the condition and cleanliness of the facilities which is due to our focus on maintaining a clear and specific 10 year maintenance plan. Unfortunately the 100,000 in capital which we are appreciative of receiving annually; will not handle the potential of a major roof or mechanical repair.

Additionally with an established Stabilization Fund the district will be able to secure and receive more favorable bonding for any anticipated large project. As bonding companies want to ensure that the regional school district is well managed and has reserves that indicate that.

Our towns are struggling, as is the district during the current economic downturn and the district should be proactive in preparing for major repairs, rather than leave that responsibility to future administrators and member towns who will then have to fund these emergencies.

The district prefers to be fiscally conservative and sound in its future financial planning.

## **2. Since the Town is unable to fund its own stabilization fund, employees, and schools, it is difficult to support this.**

The Nashoba Valley Technical School District also functions legally as a municipality; maintaining our grounds (52 acres), two buildings, and several miles of sidewalks and parking lots, with our own manpower and equipment. Additionally we are responsible for our providing health insurance to all our current employees as well as retirees and paying our own unemployment, insurance, technological support amongst other things like any other town.



### **3. Who oversees the stabilization fund?**

The district treasurer, who is bonded and is required by law to have fiduciary responsibility, is the custodian of the fund and is responsible to deposit, manage and invest the funds in a fiscally responsible manner. The fund is also reported annually to the Director of Accounts (Department of Revenue, Mr. Gerald Perry) and to member towns. As well as the review during the district's annual audit.

### **4. Who authorizes expenditures from the fund?**

The regional school committee may appropriate expenditures by a two-thirds vote.

### **5. What qualifies for payment from the fund?**

The fund may be used for any purpose that the district may borrow money for or other purpose(s) as the Director of Accounts (above) may approve.

### **6. Will the E&D account be eliminated as a result of creating the fund?**

No, if there are any funds in the E & D account they are used to fund that portion of the operating budget not funded by the Chapter 70 and district assessments.

### **7. For the fund to be created, does each town have to pass the warrant article or just a majority of the regional school member towns?**

The stabilization fund is established by a majority vote of the district school committee and a majority vote of the member municipalities.

Questions ?